

# SENATE BILL REPORT

## SB 6318

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As Reported By Senate Committee On:  
Financial Institutions & Insurance, January 23, 2008

**Title:** An act relating to reporting insurance premiums for tax purposes.

**Brief Description:** Reporting insurance premiums for tax purposes.

**Sponsors:** Senators Berkey and Shin; by request of Insurance Commissioner.

**Brief History:**

**Committee Activity:** Financial Institutions & Insurance: 1/22/08, 1/23/08 [DP].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

**Majority Report:** Do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin, Parlette, Prentice and Schoesler.

**Staff:** Diane Smith (786-7410)

**Background:** Insurers must make two reports to the Office of Insurance Commissioner (OIC) of the amount of premiums they receive every year. One report is for purposes of the assessment of premium taxes. The other report is for purposes of the annual statement. There are two choices for the basis on which these reports are made: one is the written basis and the other is the paid-for basis.

The reporting basis required for the annual statement must be the basis that determines the basis used in reporting for purposes of the premium tax. However, requirements for reporting for purposes of the premium tax do not reconfirm this directive.

**Summary of Bill:** Reporting of premiums for purposes of the premium tax must be made on the same basis as the basis required by the annual statement. This also applies in determining the amount of premiums taxable in this state, as opposed to those taxable as premiums of any other state.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff Summary of Public Testimony:** PRO: This bill just clarifies how the reporting process is supposed to, and usually does, work now.

**Persons Testifying:** PRO: Mary Clogston, Office of Insurance Commissioner.